



Education Appropriations Subcommittee

Meeting Packet

**January 16, 2013
9:00 a.m. – 11:00 a.m.
Morris Hall**



The Florida House of Representatives

APPROPRIATION COMMITTEE

Education Appropriations Subcommittee

Will Weatherford
Speaker

Eric Fresen
Chair

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MEETING AGENDA

Morris Hall
January 16, 2013

- I.** Meeting Called To Order
- II.** Opening Remarks by Chair
- III.** Florida Education Finance Program Overview Presentation by Committee Staff
- IV.** Workforce Education Formula Overview Presentation by FLDOE Career & Adult Education
- V.** Introduction of Commissioner Tony Bennett
- VI.** Closing Remarks
- VII.** Meeting Adjourned

Florida Education Finance Program (FEFP)

Funding Formula for Public School Options

- Article IX, Section 1 of the Florida Constitution in part requires that adequate provision be made in law for a uniform system of free public schools



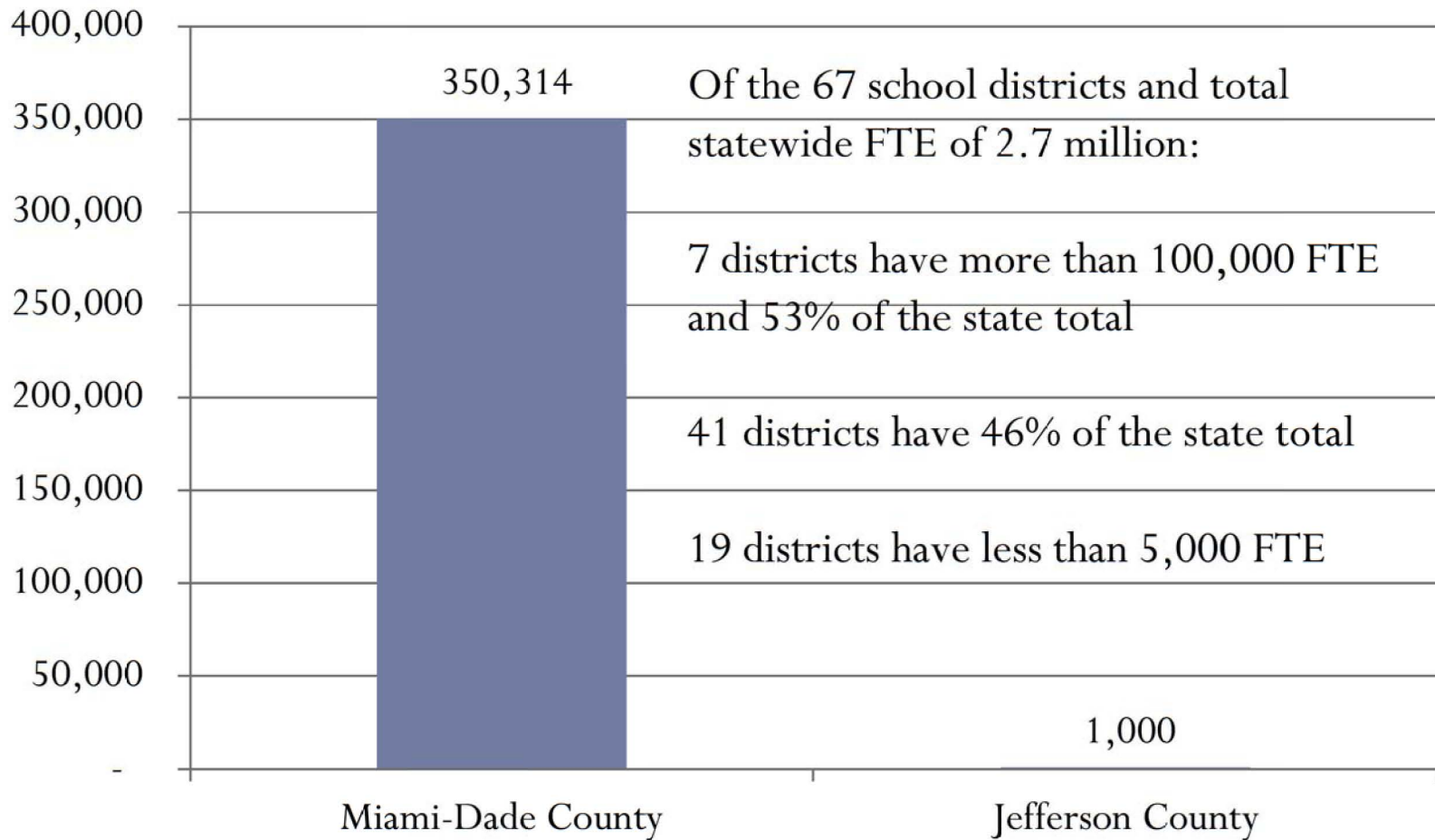
Florida Education Finance Program (FEFP)

- In 1973 the Legislature established the Florida Education Finance Program to comply with the constitutional requirement for a uniform system.
- The funding formula is used to calculate revenue allocations for the 67 school districts, a special district, 6 lab schools, and the Florida Virtual School.
- The Legislature appropriates the total funds and the formula allocates them through a series of calculations.
- Total funds allocated for 2012-13 are \$17.2 billion (55% state and 45% local).
- The FEFP calculation is provided as work papers when the budget is approved.

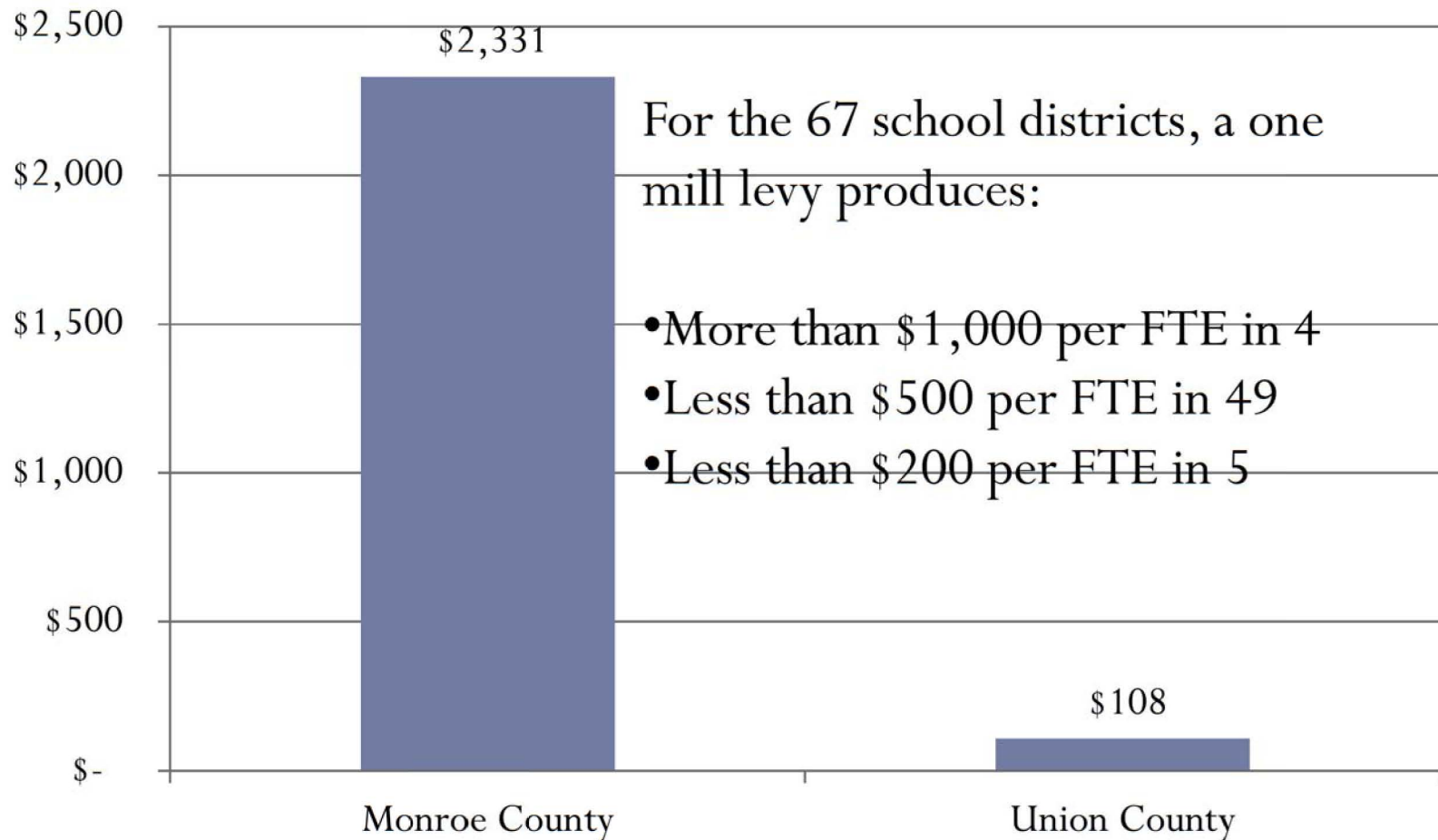
Florida Education Finance Program (FEFP)

- Purpose is to provide each student in the Florida public educational system the availability of programs and services appropriate to his or her educational needs.
- These services should be substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.

Public School FTE Enrollment FY 2012-13 3rd Calculation

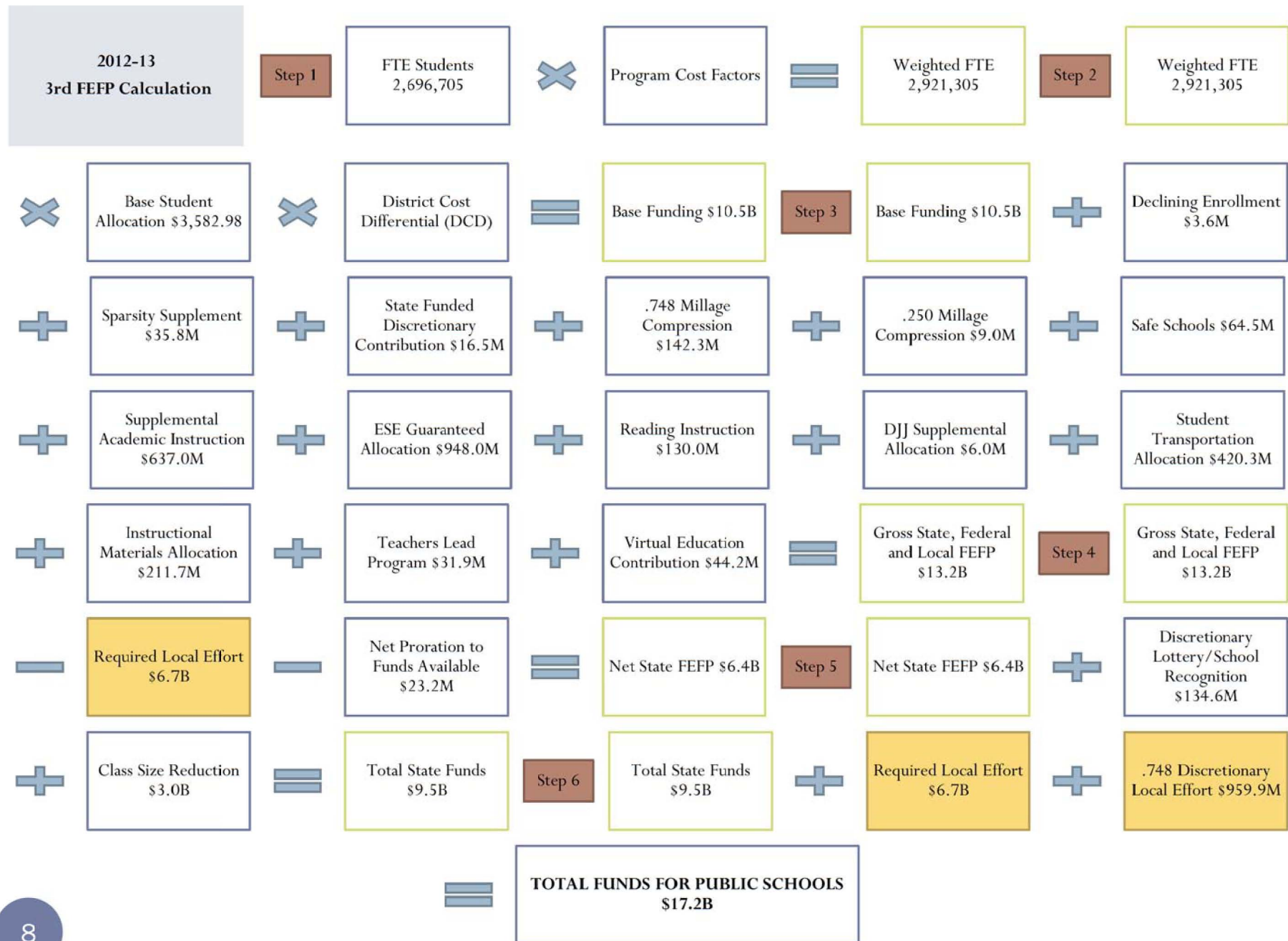


2012 -13 Revenue Per Student Produced by One Mill Levy



Timing of FEFP Calculations

- The FEFP is calculated 5 times during the year to account for actual student counts and accurate tax roll information.
 - First Calculation – March 2012 (GAA Conference Report)
 - Second Calculation – July 2013 (Certification of Millage Rates)
 - Third Calculation – December 2012 (Actual October FTE)
 - Fourth Calculation – April 2013 (Actual February FTE)
 - Fifth Calculation – October 2013 (Actual DJJ & FLVS Summer FTE)



Step 1

$$\begin{array}{c} \text{Unweighted} \\ \text{FTE} \\ \text{Students} \\ 2,696,705 \end{array} \times \begin{array}{c} \text{Program} \\ \text{Cost Factors} \\ \text{(Weights)} \end{array} = \begin{array}{c} \text{Weighted} \\ \text{FTE} \\ \text{Students} \\ 2,921,305 \end{array}$$

Unweighted FTE Students 2,696,705
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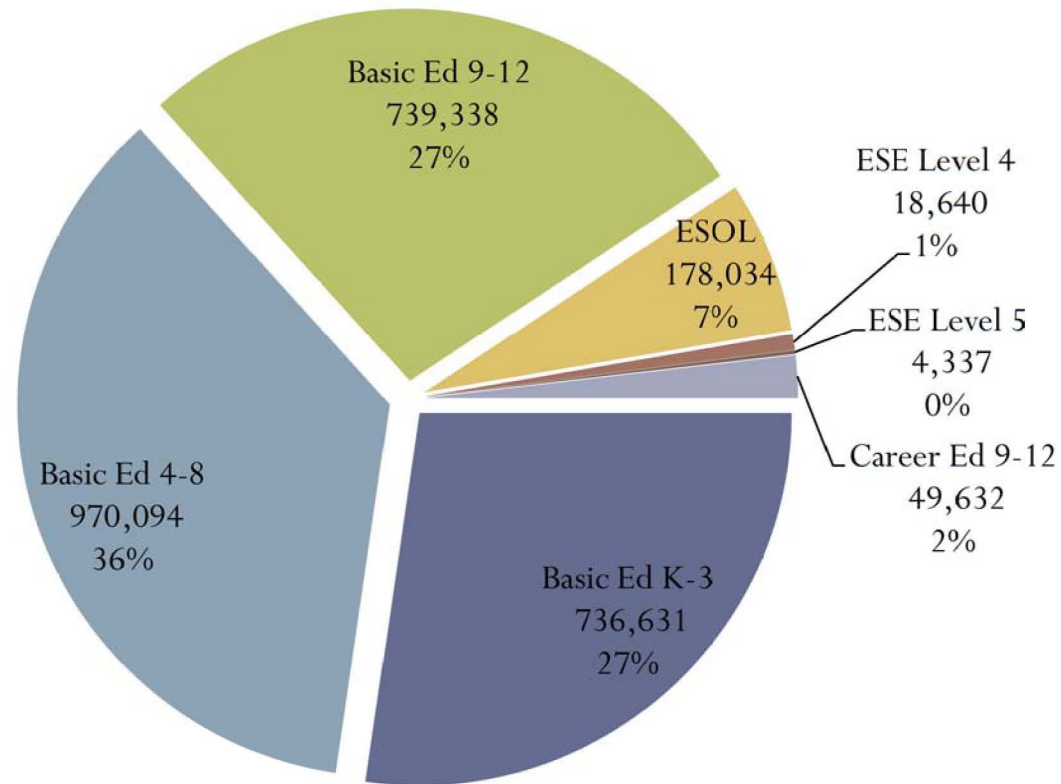
- Full-Time-Equivalent (FTE or Unweighted FTE)
 - Grades Pk-3: 730 hours of instruction, 180 days
 - Grades 4-12: 900 hours of instruction, 180 days
 - Department of Juvenile Justice: 250 days distributed over 12 months
 - Florida Virtual School: one student who has successfully completed six credits
 - For most students, one FTE equals one student
 - Students are reported in 7 different educational programs
 - Actual FTE counts are reported by the school district to the department in October and February of each school year
 - Other FTE estimates are provided by the public School Enrollment Estimating Conference

Educational Programs

1. Basic Education Grades K-3
 2. Basic Education Grades 4-8
 3. Basic Education Grades 9-12
 4. English for Speakers of Other Languages (ESOL)
 5. Exceptional Student Education, Level 4
 6. Exceptional Student Education, Level 5
 7. Career Education for Grades 9-12
-
- Group 1
- Group 2

Unweighted FTE for each program

Total = 2,696,705



Program
Cost
Factors
(Weights)

- **Program Cost Factors** – otherwise known as weights.
 - Adjust funding for each program based on historical expenditures.
 - Unweighted FTE is reported in the 7 educational programs, of which each have a corresponding cost factor.
 - The cost factors are stated annually in the General Appropriations Act.

Program
Cost
Factors
(Weights)

1. Basic Education Grades K-3	1.117
2. Basic Education Grades 4-8	1.000
3. Basic Education Grades 9-12	1.020
4. English for Speakers of Other Languages (ESOL)	1.167
5. Exceptional Student Education – Level 4 Services	3.524
6. Exceptional Student Education – Level 5 Services	5.044
7. Career Education for Grades 9-12	0.999

Step 2

<div>Weighted FTE Students 2,921,305</div>	x	<div>Base Student Allocation (BSA) \$3,582.98</div>	x	<div>District Cost Differential (DCD)</div>
=			<div>Base FEFP Funding (State & Local) \$10.5B</div>	

- **Base FEFP** – funding amount in the FEFP formula which results from multiplying the FTE times the Cost Factors times the Base Student Allocation times the DCD.
 - The calculated Base FEFP amount is funded with both state and local revenues.

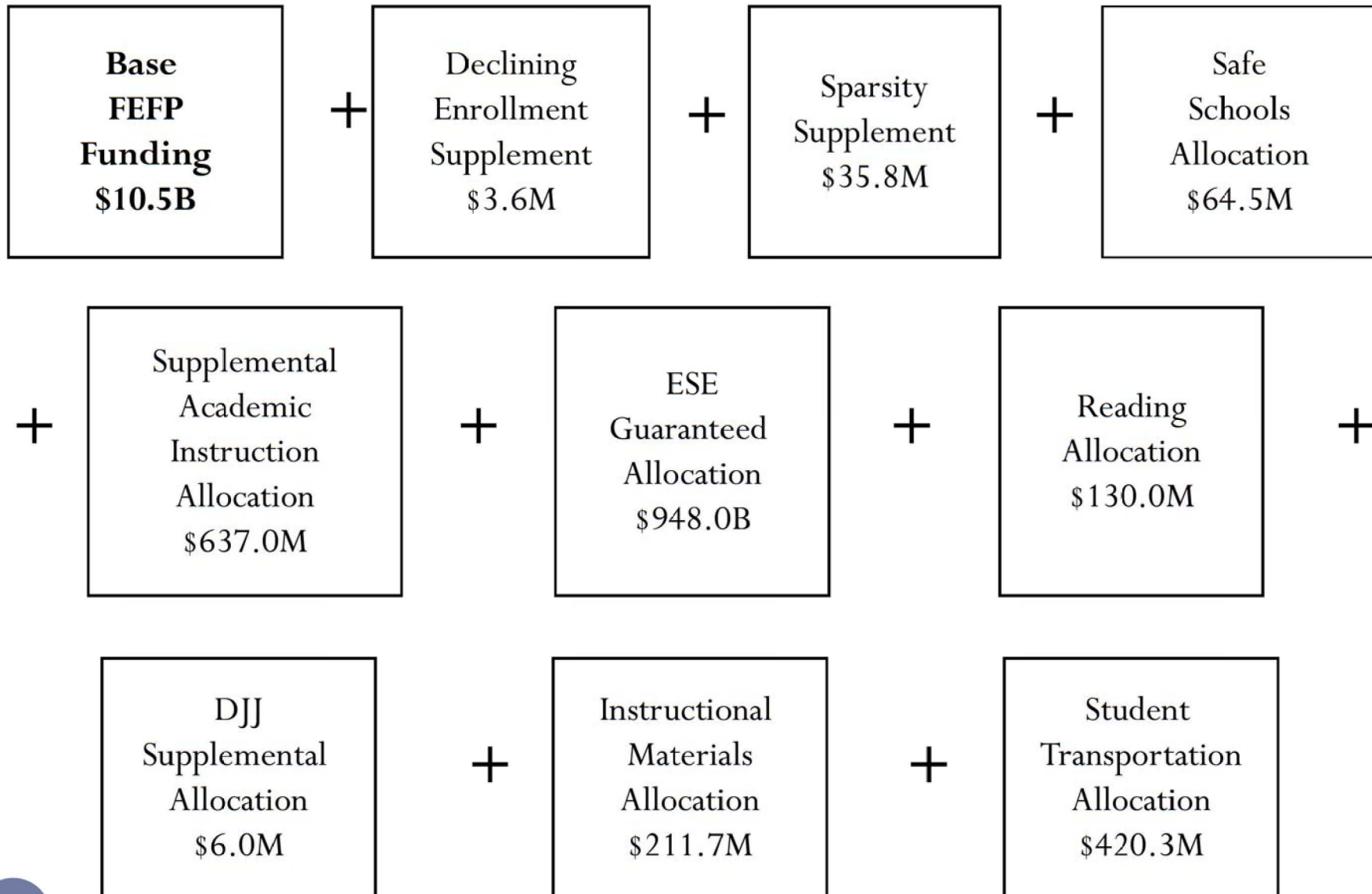
Base
Student
Allocation
\$3,582.98

- **Base Student Allocation (BSA)** – the dollar amount per weighted student provided by the Legislature for the Florida Education Finance Program base funding.
 - The BSA represents only part of the funding for each student.

District Cost
Differential
(DCD)

- **District Cost Differential (DCD)** – Adjustment to base funding for each school district that is based on the cost of hiring equally qualified personnel.
 - Based on 3 year average of the Florida Price Level Index which measures in each county:
 1. Labor market wages, and
 2. The cost of good and services
 - DCD index is centered around 1.0

Step 3



Step 3 (Cont.)

$$\begin{array}{ccccccc} + & \boxed{\begin{array}{c} \text{Teachers Lead} \\ \text{Allocation} \\ \$31.9\text{M} \end{array}} & + & \boxed{\begin{array}{c} \text{Discretionary} \\ \text{.748 Millage} \\ \text{Compression} \\ \text{Supplement} \\ \$142.3\text{M} \end{array}} & + & \boxed{\begin{array}{c} \text{Discretionary} \\ \text{.25 Millage} \\ \text{Compression} \\ \text{Supplement} \\ \$9.0\text{M} \end{array}} & + \\ & \boxed{\begin{array}{c} \text{State Funded} \\ \text{Discretionary} \\ \text{Contribution} \\ \$16.5\text{M} \end{array}} & + & \boxed{\begin{array}{c} \text{Virtual Education} \\ \text{Contribution} \\ \$44.2\text{M} \end{array}} & = & \boxed{\begin{array}{c} \text{Gross FEFP Funding} \\ \$13.2\text{B} \end{array}} \end{array}$$

- **Gross FEFP Funding** – Sum of base funding and the FEFP components to equal total state (General Revenue) and local (ad valorem) funds.

Declining
Enrollment
Supplement
\$3.6M

- **Declining Enrollment** – assists districts that have declining student enrollment by providing a portion of the revenue that would have been lost to the district due to the decline in the number of students served.
 - The percentage of the decline is set in the GAA. This year it is 25%.

Sparsity
Supplement
\$35.8M

- **Sparsity Supplement** – funding supplement calculated to compensate small districts for diseconomies of scale.
 - Roughly half the districts receive the supplement.
 - 20,000 FTE student maximum for district eligibility
 - Funds are allocated based on the total number of FTE in a district per high school center while adjusting for the wealth of the school district based on the district's calculated total potential funds per FTE.

Safe
Schools
Allocation
\$64.5M

- **Safe School Allocation** – provides funding for a safe learning environment.
 - Districts often use the funding to hire school resource officers.
 - Each district receives a minimum of \$62,660.
 - Balance of funds allocated on the FDLE Crime Index and FTE.

Supplemental
Academic
Instruction
Allocation
\$637.0M

- **Supplemental Academic Instruction Allocation** – lump sum funding to remediate or provide supplemental instruction to students who are falling behind.
 - First priority use is for supplemental intensive instruction in reading and math for students in Grades 3 and 10 who have scored FCAT Level 1.
 - Funds can be spent for mentoring, tutoring, after school education, class size reduction, extended school year, or traditional summer school.
 - Funds, together with funds provided in the district's research-based reading instruction allocation and other available funds, shall be used by districts with one or more of the 100 lowest performing elementary schools based on the state reading assessment to provide an additional hour of instruction beyond the normal school day for each day of the entire school year for intensive reading instruction for the students in each of these schools.
 - Funds are calculated on a per FTE basis.

ESE
Guaranteed
Allocation
\$948.0M

- **ESE Guaranteed Allocation** – lump sum allocation for supplemental services for exceptional students who have low to moderate disabilities and for Gifted students.
 - Funds are calculated on a per FTE student basis.
 - Funds provided for high school gifted programs are limited to the 2006-07 funding level.

Reading
Allocation
\$130.0M

- **Reading Allocation** – funds for a K-12 comprehensive, district-wide system of research-based reading instruction.
 - Each district receives a minimum of \$115,000.
 - Balance of funds are allocated on each district's share of the Base FEFP funding.
 - Funds may be used for reading coaches, professional development for teachers, summer reading camps, supplemental reading instructional materials, and intensive interventions for middle and high school students reading below grade level.
 - Funds shall be used to provide an additional hour of intensive reading instruction beyond the normal school day for each day of the entire school year for the students in the 100 lowest performing elementary schools based on the state reading assessment.

DJJ
Supplemental
Allocation
\$6.0M

- **DJJ Supplemental Allocation** – provides supplemental funds for students in juvenile justice education programs in an amount equal to what DJJ programs would have received if they were required to participate in class size reduction.
 - Funds are allocated based on weighted FTE, the average class-size-reduction allocation factor, and the district's DCD
 - $(WFTE \times CSR \text{ allocation factor} \times DCD)$.

Student
Transportation
Allocation
\$420.3M

- **Student Transportation Allocation** – funds for school bus transportation.
 - Funds are provided to school districts primarily for student passengers who live more than two miles from their school and for disabled students.
 - The funding formula makes adjustments for relative wages and other costs, population density, and efficiency.
 - Funds are typically spent on salaries and benefits and fuel.

Instructional
Materials
Allocation
\$211.7M

- **Instructional Materials Allocation** – funds for textbooks and electronic materials.
 - The allocation also includes funds for library media materials, science lab materials and textbooks for dual enrollment students.
 - The allocation provides funding based on student FTE growth and a maintenance component.

Teachers
Lead
Allocation
\$31.9M

- **Teachers Lead Program Allocation** – funds provided directly to individual classroom teachers in prekindergarten through grade 12, including charter school teachers, for classroom supplies and materials.
 - Funds are allocated to districts based on the number of FTE students.
 - Funds are distributed to full-time teachers by September 30.
 - FY 2012-13 funds are provided at roughly \$180 per teacher.

.748 Mill
Compression
Supplement
\$142.3M

- **.748 Mill Compression Supplement** – provides a supplement to districts that levy the full .748 mill and generate less than the state average per FTE so that, when combined, the supplement and the revenue raised by the .748 millage achieves the state average per FTE.
 - If the district is above the state average, no supplement is provided.
 - If the district is below the state average, the supplement is provided to achieve the state average.
 - The current state average funds per FTE is \$371.66.

.250 Mill
Compression
Supplement
\$9.0M

- **.250 Mill Compression Supplement** – provides a supplement to districts that levy the school board super-majority voted .250 mill and generate less than the state average per FTE so that, when combined, the supplement and the revenue raised by the .250 millage achieves the state average per FTE.
 - If the district is above the state average, no supplement is provided.
 - If the district is below the state average, the supplement is provided to achieve the state average.
 - The current state average funds per FTE is \$124.22.

State Funded
Discretionary
Contribution
\$16.5M

- **State Funded Discretionary Contribution** – provides state funds to entities with no taxing authority, the lab schools and the Florida Virtual School, equivalent to the local revenue that otherwise would be generated from the .748 mill discretionary levy.
 - Lab schools receive an allocation in the same per FTE amount that is generated by the .748 discretionary millage for the school district in which the school is located.
 - The Florida Virtual School receives an allocation in the same per FTE amount that is generated by the .748 discretionary millage for the statewide average.

Virtual
Education
Contribution
\$44.2M

- **Virtual Education Contribution** – funding allocation provided for all virtual education programs to achieve an amount per FTE established in the General Appropriations Act.
 - For 2012-13, the amount per student is \$5,200.

Step 4

Gross State and Local (and Federal) FEFP Funding \$13.2B	—	Required Local Effort \$6.7B	—	Net Proration to Funds Available \$23.2M	=	Net State FEFP Funding \$6.4B
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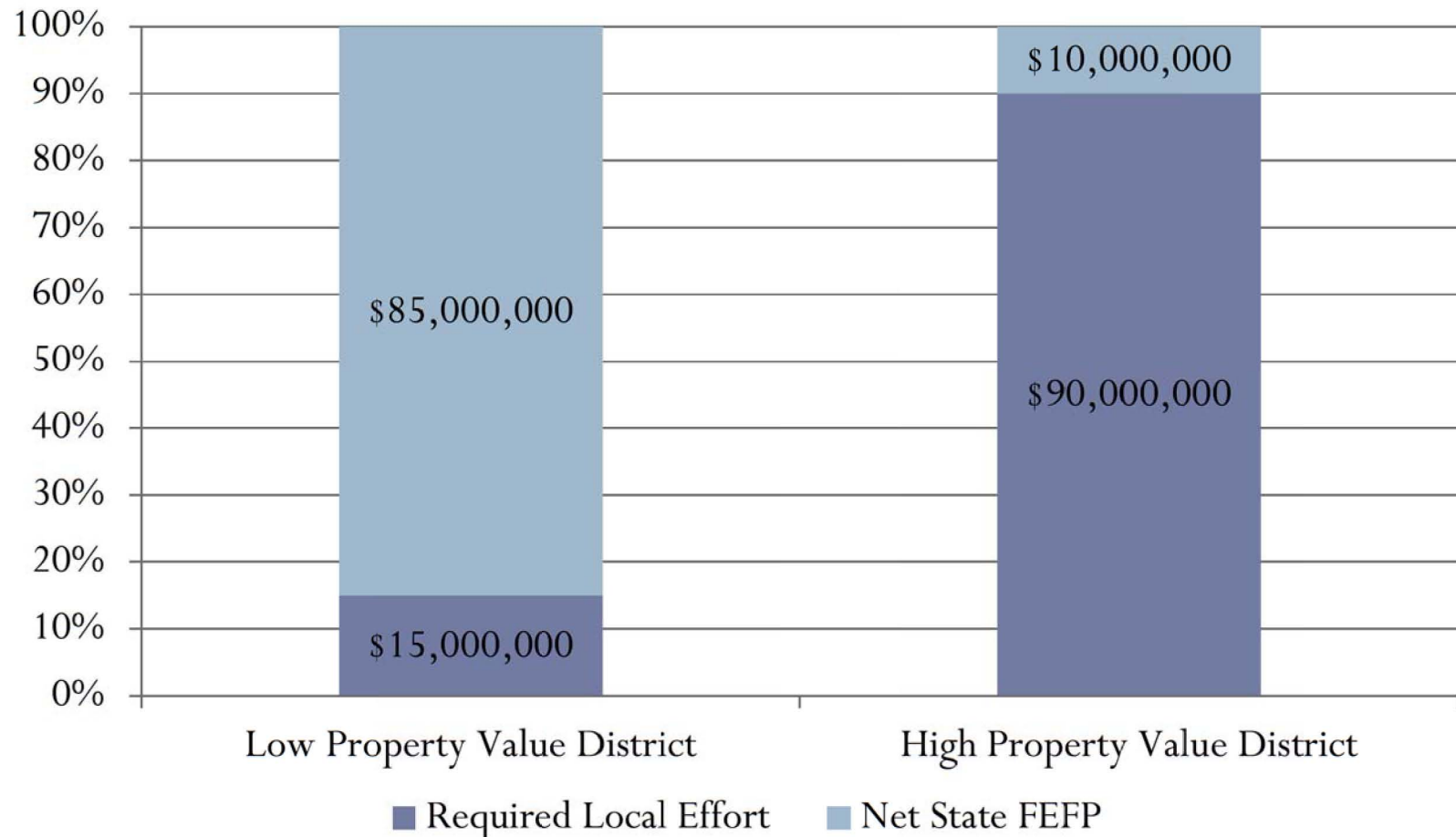
- **Net State FEFP Funding** — total state revenues for the FEFP prior to the addition of School Recognition and Class Size Reduction funds.
 - This is the key step in the funding formula to implement the constitutional requirement for a uniform system.
 - “Equalizes” funding so that local property wealth does not create an imbalance among districts.
 - Districts with low property values receive more state funds per student.
 - Districts with high property values receive less state funds per student.

Required
Local Effort (RLE)
\$6.7B

- **Required Local Effort (RLE)** – calculation of the local property tax revenue for the funding formula.
 - Calculated by multiplying county property values by the required millage as certified by the Commissioner of Education in the FEFP 2nd calculation (5.295 mills).
 - To receive state FEFP funding, school districts must levy the required millage.
 - District millage is adjusted to the statewide average assessment level.
 - District required millage may not exceed the amount that would produce 90% of the district's calculated Gross State & Local FEFP funds.

State and Local Funds Example

Gross State and Local FEFP = \$100M
Required Local Effort = 5.295 Mills



Net Proration
to Funds
Available
\$23.2M

- **Net Proration to Funds Available** – is necessary when the calculated net State FEFP becomes greater than the Appropriation.

Step 5

Net State FEFP Funds \$6.4B	+	Discretionary Lottery/School Recognition Funds \$134.6M	+	Class Size Reduction Allocation \$3.0B
=				
Total State Funds for Public School Operations \$9.5B				

- **Total State Funds for Public School Operations** — sum of all state funds that are formula allocated for public school operations.

Discretionary
Lottery/School
Recognition
\$134.6M

- Funds are provided for two programs:
 1. First, funds are provided for the **School Recognition Program** to reward schools which improve one letter grade or achieve an “A” under the A+ Accountability program. Allocations are based on \$100 per student in eligible schools.
 - a) Non-recurring bonuses for faculty and staff
 - b) Non-recurring expenditures for equipment or materials
 - c) Temporary personnel
 2. The balance is provided for **Discretionary Lottery** to be used for enhancement by each school district. Funds are allocated on the district’s share of base FEFP funding. School Advisory Councils receive up to \$5 per FTE student.

Class Size
Reduction
Allocation
\$3.0B

- **Class Size Reduction Allocation** –state funding for school district operations to reduce school district class sizes by 2 for grades PK to 3, 4 to 8, and 9 to 12 until the constitutional maximums are achieved.
 - The allocation is calculated similar to base FEFP funding. Weighted FTE students are multiplied by a class size reduction factor and the district cost differential.
 - If funds remain after achieving class size reduction, they may be spent for other purposes with priority for teachers salary increases or differentiated pay.
 - If class size reduction is not achieved, then a penalty amount of funds is calculated. A minimum of 75% of the penalty funds may be restored if the district submits to the Commissioner of Education a plan to bring the classes/schools/district into compliance for the next school year.

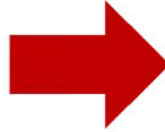
Step 6

Total State Funds for Public Schools \$9.5B	+	Required Local Effort \$6.7B	+	Discretionary Local Effort \$959.9B
=				
Total Funds for Public School Operations \$17.2B				

- **Total Funds for Public School Operations** – Total state and local funds for public school operations, including net state FEFP funds, discretionary lottery, class size, required local effort and discretionary local effort.
 - For the legislative process, Total Funds are compared with total funds for public school operations for the previous year to calculate increases in total funding and funds per FTE student.

Discretionary Millage Flexibility:

1. Districts can choose to levy less than .748 but must levy at least .498 mills in order to be eligible for a compression supplement.



If the district levies #1 FOR OPERATIONS and generates less than the statewide average amount per student of a .498 levy then the district will receive a compression supplement equal to the difference of the revenue generated from .498 levy and the statewide average per student.

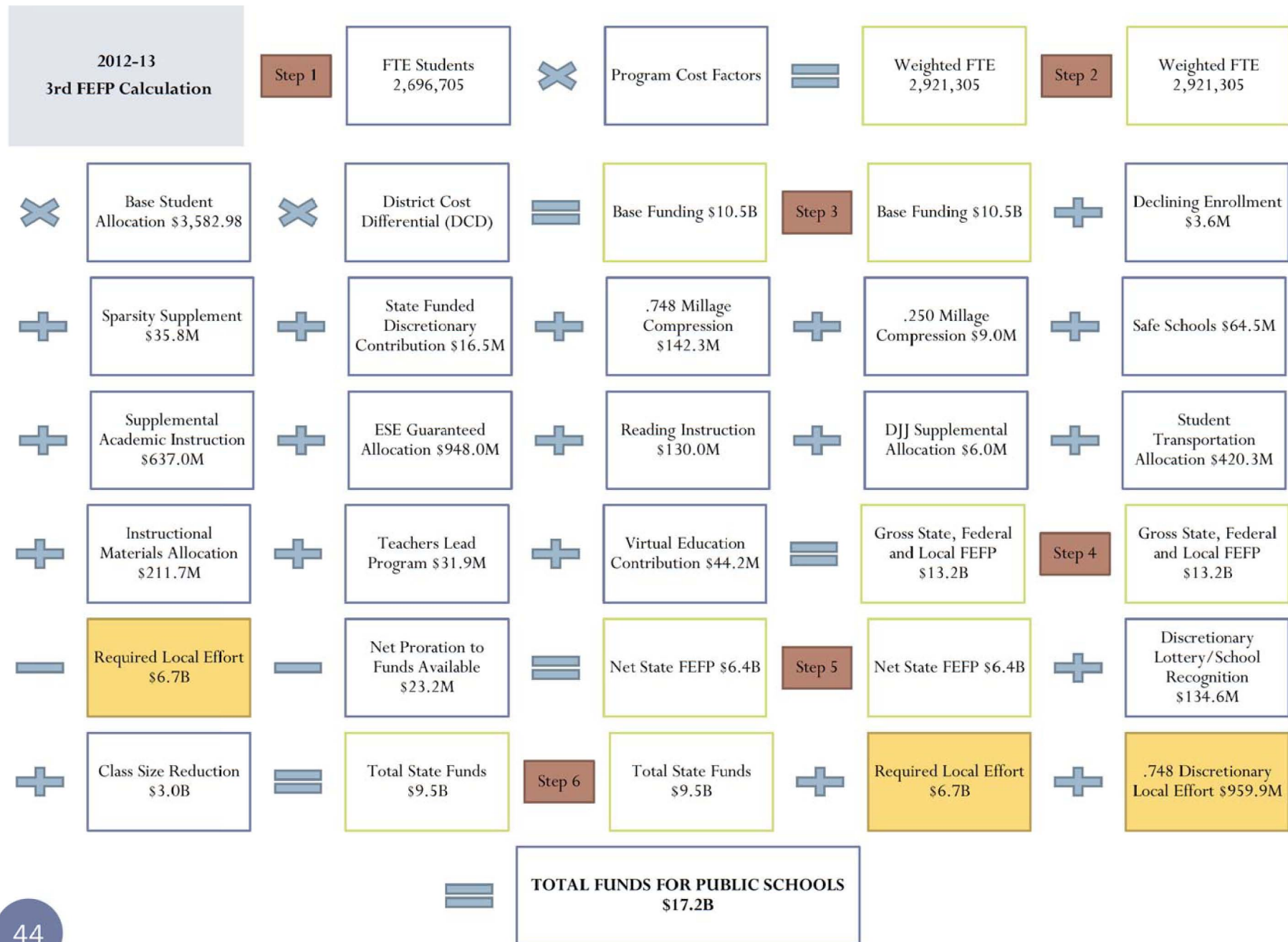
2. Districts can also levy an additional .25 mills by supermajority vote of the school board.



If the district levies #2 FOR OPERATIONS and generates less than the statewide average amount per student of a .25 levy then the district will receive a compression supplement equal to the difference of the revenue generated from .25 levy and the statewide average per student.

Discretionary
Local
Effort
\$959.9B

- **Discretionary Local Effort** – funds for operations provided through non-voted millage authorized by the Legislature and requiring school board approval only.
 - Because discretionary millages provide unequal \$ amounts per student due to widely different district property valuations, the legislature partially equalizes these discretionary millages with a state supplement to assist the “property-poor” districts.



Workforce Education Formula Overview

DISTRICT WORKFORCE EDUCATION FUNDING

House Education Appropriations Committee
January 16, 2013

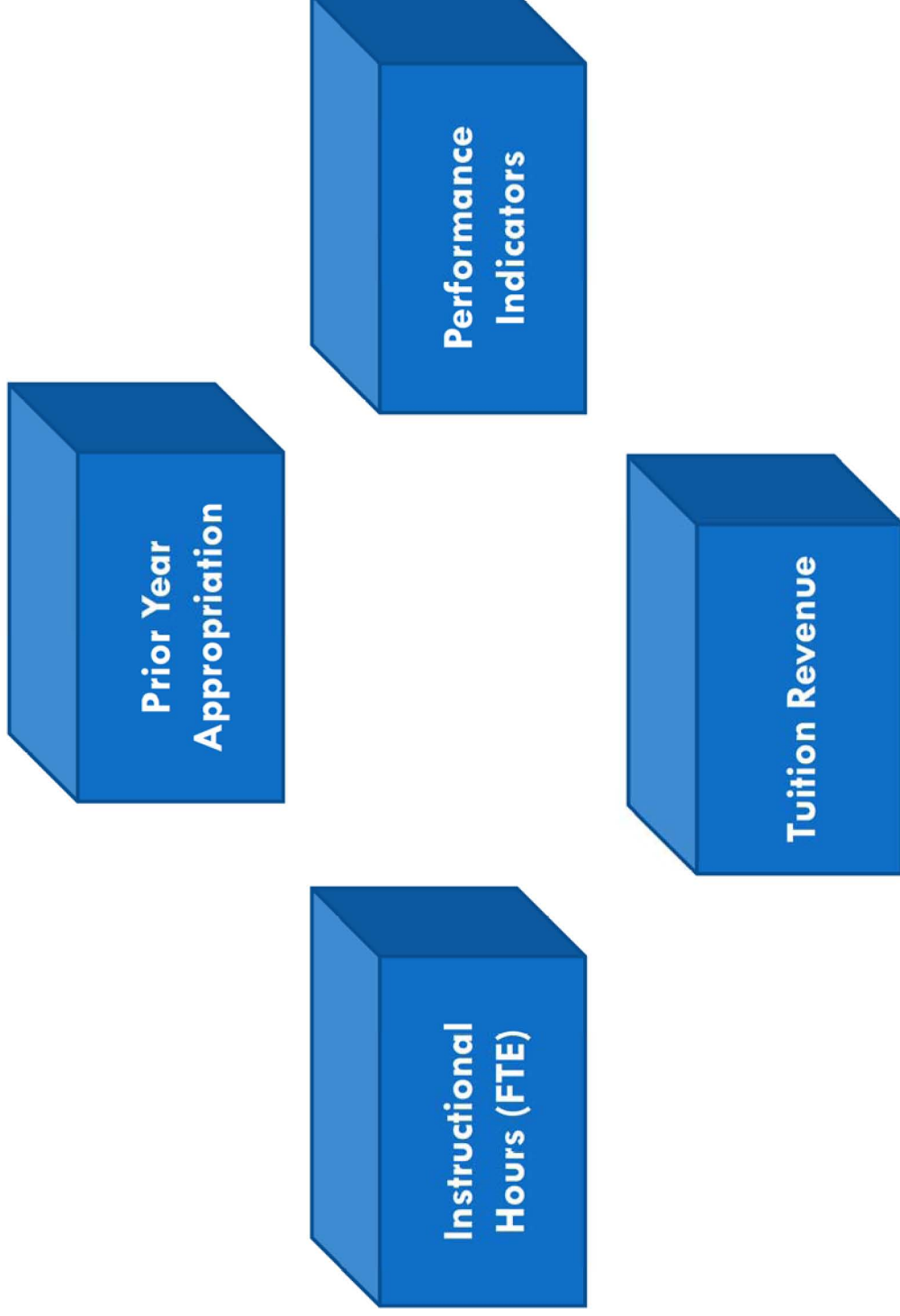
Workforce Development Funds

2

- District Workforce Education Funding Steering Committee has been working on a workload based funding needs analysis since 2005.
- Allocation recommendations have been made to Governor's Office, House and Senate staff based on formulas since 2006-07
- OPPAGA study on the funding model
 - ▣ <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1024rpt.pdf>

Funding Model Elements

3



Funding Needs Analysis – Weighted FTE

4

Weighted FTE =

Average of Three
Years of FTE by
Program

X

Program Weights

Weighting Factors

Program Weight Category	Summary
Low	Program is primarily classroom based instruction with minimum equipment and supplies costs
Medium	Program requires laboratory and/or equipment and supplies to remain current with business and industry standards
High	Program requires significant equipment and supplies to remain current with business and industry standards

Funding Needs Analysis – Weighted FTE

6

- Assignments of programs as low, medium or high cost have been developed by the funding committee for use in the Funding Needs Analysis

	Low	Medium	High
Adult General Education	1.3 Note: All adult general education programs have the same weight		
Certificate	1.50	1.75	2.0 or 2.4* <small>*for limited number of programs with significant equipment costs</small>
Certificate (OJT - On the Job training)	0.20	n/a	n/a
Apprenticeship	1.50	1.75	2.0
Apprenticeship (OJT)	0.20	n/a	n/a

Funding Needs Analysis – Calculation of Total Funding Need

7

Total Funding Need* =

Weighted
FTE



Cost per
Unit



District Cost
Differential

Cost per Unit for 12-13 model = \$3,541.85

Typically based on the BSA used for the K-12 funding model

*Total Funding Need is adjusted for districts that did not meet the minimum funding allocation

Funding Needs Analysis – Calculation of Total Funding Need

8

State Funding Need =

This calculation is used to create an index of state funding need.

Total Funding Need

—

Tuition Revenue
Estimate

Unmet Funding Need =

State Funding Need

—

Prior Year
Appropriation

Additional Notes

9

- A minimum funding calculation was included in the 2011-12 model for the first time.
 - ▣ This policy was recommended by OPPAGA in a 2010 report on the funding model

Allocation of Workforce Development Funds

10

- Current Policy for District Allocations
 - ▣ **BASE FUNDING + ADJUSTMENT**
- Program has been level funded for two years, but allocations by district have changed based on the funding need
- 2012-13 Allocations were based on:
 - 1) Reduction in funds to select districts based on the proportionate share of total funding above the level generated by the 2012-13 Funding Needs Analysis,
 - 2) Reallocation of a portion of funds to get all districts to a minimum of 70% of the recommended state funding level,
 - 3) Allocation of remaining funds to select districts based on workload model.
- 2011-12 Allocations were based on:
 - 1) Reduction in funds to select districts based on the policy decisions regarding the co-enrolled adult high school program.
 - 2) Re-allocation of a portion of funds (20%) based on a workload funding model.
 - 3) Allocation of co-enrolled reduction funds to select districts based on a workload funding model.

Florida Department of Education

contacts

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